

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

IN THE MARION CIRCUIT COURT

AVC. NO. 04-005

IN RE: THE COLLEGE NETWORK, INC.,

Respondent.

FILED

MAR 22 2004

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David A. Paetzmann
CLERK OF THE
MARION CIRCUIT COURT

ASSURANCE OF VOLUNTARY COMPLIANCE

The State of Indiana, by Attorney General Steve Carter and Deputy Attorney General David A. Paetzmann, and the Respondent, The College Network, Inc., enter into an Assurance of Voluntary Compliance (Assurance) pursuant to Indiana Code § 24-5-0.5-7.

Any violation of this Assurance constitutes *prima facie* evidence of a deceptive act. This Assurance is entered into without any adjudication of any issue of fact or law, and upon consent of the parties. This Assurance is not an admission or evidence for any purposes that Respondent engaged in a deceptive act, nor shall it be construed as an abandonment by the Attorney General of his position that Respondent has violated Indiana's Home Solicitation Sales Act and Credit Services Organizations Act in transactions with Indiana consumers.

As used in this Assurance, "home consumer transaction" means a consumer transaction occurring in the state of Indiana that the consumer did not solicit that results from the direct contact by Respondent or its employees, agents, or representatives, at a place other than Respondent's permanent place of business. Direct contact by Respondent does not include contact conducted and consummated entirely by mail or telephone or advertising to the general public.

The parties agree that:

1. Respondent, The College Network, Inc., is an Indiana corporation with a principal business address of 3815 River Crossing Parkway, Suite 260, Indianapolis, Indiana, and has solicited and entered into contracts to sell educational study guides to consumers away from Respondent's permanent place of business.

2. The terms of this Assurance apply to and are binding upon Respondent, its employees, agents, representatives, successors, and assigns.

3. Respondent acknowledges the jurisdiction of the Consumer Protection Division of the Office of the Attorney General to investigate matters hereinafter described, pursuant to the authority of Ind. Code § 4-6-9-4 and Ind. Code § 24-5-0.5-1 *et seq.*

4. In each of Respondent's home consumer transactions within Indiana, Respondent shall deliver to each purchasing consumer two (2) copies of a written notice of the consumer's right to cancel the transaction. The notice shall be on a separate document in at least ten (10) point boldface type and contain the following information:

- (a) The address to which the consumer's notice of cancellation may be delivered or sent;
- (b) A statement that the transaction may be cancelled before midnight of the third business day after the consumer and Respondent finally agree to the transaction;
- (c) A statement of the explanation of the steps the consumer must take to cancel the home consumer transaction;
- (d) A statement of the steps the consumer and Respondent must take after cancellation of the home consumer transaction; and
- (e) The date by which the consumer must exercise the right to cancel the transaction.

5. Respondent agrees that if any consumer timely exercises the right to cancel a home consumer transaction with Respondent pursuant to Indiana's Home Solicitation Sales Act, Ind. Code § 24-5-10-1 *et seq.*, Respondent shall, within ten (10) business days after the notice of cancellation is delivered, return to the consumer any payment or other consideration transferred to Respondent by the consumer.

6. Respondent shall obtain a surety bond in the amount of ten thousand dollars (\$10,000.00) in favor of the State of Indiana as provided by Ind. Code § 24-5-15-8. Respondent agrees to provide a copy of its surety bond to the Consumer Protection Division of the Indiana Attorney General's Office. Provided, however, that nothing herein shall be construed as an admission or as evidence that Respondent was or is subject to the Indiana Credit Services Organization Act, Ind. Code § 24-5-15-1 *et seq.*; it being understood that Respondent disputes the applicability of Credit Services Organizations Act; and is agreeing to obtain the bond to resolve a disputed matter to save the time and expense of litigation. This paragraph shall expire and be of no further affect four years from the date this Assurance is approved by the Court.

7. Respondent, in soliciting and/or transacting business with Indiana residents, shall comply with the provisions of Indiana's Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-1 *et seq.*, and the Indiana's Home Solicitation Sales Act, Ind. Code § 24-5-10-1 *et seq.*

8. Respondent hereby cancels its contract with Jeanna King dated February 26, 2003, and upon execution of this Assurance, shall pay restitution in the amount of one thousand five hundred eighteen dollars and eighty-seven cents (\$1,518.87) to the Office of the Attorney General for the benefit of Jeanna King. Respondent further agrees to take all necessary steps to obtain cancellation of Jeanna King's promissory note/security agreement with Communitywide Federal Credit Union of South Bend, Indiana, dated on or about February 26, 2003 within thirty

(30) days following court approval of this Assurance. Respondent further agrees to reimburse Jeanna King, through the Office of the Attorney General, for any payments made to Communitywide Federal Credit Union on the note/security agreement within such thirty day period.

9. Respondent hereby cancels its contract with Jody Gordon dated October 29, 2003, and upon execution of this Assurance, shall pay restitution in the amount of three hundred ten dollars and thirty-six cents (\$310.36) to the Office of the Attorney General for the benefit of Jody Gordon. Respondent further agrees to take all necessary steps to obtain cancellation of Jody Gordon's promissory note/security agreement with Hoosier Farm Bureau Credit Union of Indianapolis, Indiana, dated on or about October 29, 2003 within thirty (30) days following court approval of this Assurance. Respondent further agrees to reimburse Jody Gordon, through the Office of the Attorney General, for any payments made to Hoosier Farm Bureau Credit Union on the note/security agreement within such thirty day period.

10. Upon execution of this Assurance, Respondent shall pay costs in the amount of five hundred dollars (\$500.00) to the Office of the Attorney General.

11. Respondent agrees to fully cooperate with the Office of the Attorney General in the resolution of any future written complaints the Consumer Protection Division receives.

12. Respondent shall not represent that the Office of the Attorney General approves or endorses Respondent's past or future business practices, or that execution of this Assurance constitutes such approval or endorsement.

13. The Office of the Attorney General shall file this Assurance with the Circuit Court of Marion County. The Court's approval of this Assurance shall not act as a bar to any private right of action.

DATED this 22nd day of March, 2004.

STATE OF INDIANA

RESPONDENT

STEVE CARTER
Attorney General of Indiana

THE COLLEGE NETWORK, INC.

By [Signature]
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By [Signature]
Name: Robert Engl
Title: CEO

APPROVED this _____ day of MAR 22 2004, 2004.

[Signature]
Judge, Marion Circuit Court